



FPPC Bulletin

FPPC Sees Success With Streamlined Programs From Fast-Track Enforcement to Compliance

Veteran FPPC Investigator Bill Motmans had an innovative idea for improving compliance with California's Political Reform Act.

Some enforcement cases, involving public officials who had failed to file their conflict-of-interest statements, were languishing for months without resolution, sometimes long after the person in question had left his or her government job. FPPC personnel were dutifully mailing numerous letters to those individuals who hadn't filed, but sometimes to little or no effect.

"I just felt like all of those letters weren't always doing that much good," said Motmans.

But Motmans believed there was a better way to promote compliance: Once a case was referred to the FPPC's Enforcement Division, why not simply make a quick, personal phone

call to the person who had failed to file his or her Statement of Economic Interests?

"My idea was to call people directly, assuming we could get a number, and ask them courteously about what had happened.... Just sort of cut to the chase," Motmans recalled.

"It wouldn't be just another letter to set on the kitchen counter. It would be a phone call from a real person," he added.

Such phone calls are now routinely made by FPPC enforcement personnel and often result in quick compliance by the official who had failed to file his required statement.

In the wake of Motman's proposal and other innovative ideas from other staff members, commissioners and the regulated community, the FPPC now has successfully implemented three

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innovative "fast-track" enforcement programs. The programs are aimed at promoting compliance with the state's disclosure rules affecting conflict-of-interest disclosure, major donors, and late contributions.

A key feature of all three programs is fast enforcement action, which provides timely information to the public on violators, and alerts all filers to the importance of following the rules.

Early results indicate that the proactive initiatives are effective, both to ensure timely prosecutions of violators and, more importantly, to foster greater awareness of the law and improve rates of compliance.

"The preliminary evidence strongly suggests that we may have found an approach that really works," said FPPC Chairman Karen Getman.

The expedited programs were all begun or fully implemented in 2000 and are continuing in full force, making it possible for the FPPC to handle a far greater number of reporting violation cases than in previous years.

The three programs feature streamlined paperwork and procedures, standardized fine schedules and special outreach efforts to alert affected filers to approaching filing deadlines.

Disclosure violations that previously may have been prosecuted long after the end of an election cycle now are handled in an expedited manner, providing both the public and filing community with more timely and relevant action and in-

formation. And yes, personal phone calls from FPPC personnel, rather than a long string of letters, are also often used to promote compliance.

Other government agencies and private sector groups are encouraged to join with the FPPC in promoting compliance with the Political Reform Act.

What can an agency or organization do?

One example comes from the Consumer Attorneys of California, which during past election seasons has prominently displayed on its Web site information on reporting rules for major campaign donors. The notice, which included a link to the FPPC's web site (www.fppc.ca.gov), described in detail filing requirements under the Political Reform Act and other rules.

"A lot of our people participate politically on many levels. We want them to know everything they are required to do and report," said Joan Pollitt, executive director of the Consumer Attorneys of California.

Pollitt described the FPPC as "a very helpful agency" when it comes to providing assistance to those with questions.

"Most of the time we know how to assist them but if we don't we can always refer them to your agency," she added.

The FPPC streamlined program promoting compliance with major donor disclosure rules appears to be bringing positive results, evidenced by a dramatic decline in the number of enforcement cases from the first to the second semi-annual filing periods in 2000.

Key goal is timely action

A key goal of the major donor program is to bring quick and timely enforcement action, thereby promoting compliance with the campaign statement filing requirements for Major Donor Committees. The fines for these enforcement cases are based in part on the timeliness of the response of the Major Donor Committees to contact from the FPPC Enforcement Division.

Eight enforcement actions under the streamlined major donor program were approved by the commission at its May 2001 meeting, with fine amounts ranging from a standardized \$400 (for a first-tier violation) to \$2,000 (for a third-tier violation). Six more enforcement actions were approved by the Commission at its June meeting, with fine amounts ranging from \$400 (for a first-tier violation) to \$600 (for a second-tier violation).

The FPPC also has fully implemented a streamlined enforcement program for unfiled conflict of interest statements (Statements of Economic Interests), a program that has brought improved compliance levels and far-faster processing of such cases. The statements, which list stock holdings and other economic information, are filed by thousands of public officials across the state as required under the Political Reform Act's conflict-of-interest rules.

During 2000, 46 cases were prosecuted under this program. In most of those cases, the Enforcement

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ment Division succeeded in getting the missing Statement of Economic Interests on file within months of the initial filing deadline. Early reports from 2001 indicate that the enforcement program has resulted in significant improvements in compliance by state and local filers. For example, the program, combined with proactive efforts by the state Legislature, appears to have been highly effective in ensuring required compliance by legislative staff members.

Scott Hallabrin, counsel for the Assembly Legislative Ethics Committee, said the Legislature actively works internally and with the FPPC to ensure that legislative staff members meet their filing obligations.

"We have a lot of young people coming in (as new Legislative staff members). They are just sort of overwhelmed sometimes with all of the things they have to do when they first get here," Hallabrin said.

"People, I think, are much more aware of their responsibilities on filing and are much more responsive now. There is just a higher level of recognition that this is important," he added.

Hallabrin said he tells legislative staff members "that the FPPC has increased its vigilance. If they don't respond, they are going to get fined."

Hallabrin also said the FPPC's Technical Assistance Division staff is "always helpful" in providing assistance.

The statistics reflect the success of the new programs.

In 1998, there were 14 cases of legislative staffers who had failed to

file their Statement of Economic Interests referred from the FPPC's Technical Assistance Division to the Enforcement Division. In 1999, there were 15 such cases. But in 2000, after the streamlined program was up and running, the number dropped to a single case.

"Both the Assembly and Senate staffs have clearly recognized the importance of this program," said Amy Bisson Holloway, a FPPC Senior Commission Counsel.

Holloway said compliance has improved among other filers as well.

"The bottom line is that compliance has improved. But what is more important is that compliance is occurring at an earlier stage, better serving the public, the regulated community and the officials responsible for receiving and filing Statements of Economic Interests."

A third FPPC fast-track program, aimed at promoting compliance with California's late-contribution disclosure rules, has resulted in at least 42 fines totaling \$86,537, for 96 violations involving more than \$2.2 million in unreported late contributions during the March 2000 primary.

"As a result of this streamlined prosecution program begun by the Commission last June, we were able to investigate and prosecute these cases in a timely and effective way, most before the November 2000 general election," Getman said.

The program is coordinated in the FPPC's Enforcement Division by Chief Investigator Al Herndon and Investigator Jon Wroten. Wroten also stressed that a key element

of the program is a proactive outreach and education component. People who were identified as potential violators during the March 2000 election cycle were contacted by FPPC staff, alerted to the 16-day reporting period during the November 2000 election, and forewarned about their filing requirements.

Paperwork is reduced

Herndon and Wroten said an additional feature of the late-contribution program is a reduction of paperwork through the use of a one-page stipulation decision and order form. They said the use of the form has helped speed prosecutions and resulted in more efficient use of staff time and resources.

The new program is aided by use of data generated by California's electronic filing system.

To obtain late contribution information, FPPC staff utilized the California Secretary of State's electronic database to identify reported contributions and cross-match those figures to find cases in which either the recipient or contributor had not filed a report. Upon confirmation that a violation occurred, enforcement actions were initiated.

Wroten reported that as of March 2001, no fewer than 5,411 late contribution records were searched and reviewed in the electronic database.

"While our streamlined programs are still young, the early evidence indicates that all of them may be promoting compliance with key disclosure provisions of California's Political Reform Act," said Getman. "In other words, people appear to be getting the message."